

Choices for City Plan 2030
Financial Resources Appraisal

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The Council is preparing a new local development plan for Edinburgh, 'City Plan 2030'. The first stage of preparing a new local development plan is to prepare a statutory 'main issues report'. Choices for City Plan 2030 is the main issues report for the next plan. It sets out the changes that the Council's wishes to make in the next plan, along with options for growth.

In preparing a local development plan a planning authority must have regard to the resources available or likely to be available for the carrying out of the policies and proposals within the plan. (Regulation 10 of the Town and Country Planning (Development Planning) (Scotland) Regulations 2008).

This Financial Resources appraisal sets out the financial impact of the current local development plan, the future resources that are available or likely to be available to deliver the plan and assesses the potential impact of the proposed options of the Council's future capital and revenue budgets.

Edinburgh's current local development plan

Edinburgh's current Local Development Plan was adopted on 24 November 2016. The plan is accompanied by a statutory Action Programme which sets out how the plan is to be delivered. Edinburgh's Action Programme is a corporate document which is used to manage the delivery of the

infrastructure and services needed to support the growth set out in the plan.

The Council carries out an annual assessment of the financial impact of the adopted Edinburgh LDP and its Action Programme and reports the impact of the plan on the Council's future capital and revenue budgets to Finance and Resources Committee.

A summary of this financial impact is provided in tables 1, 2 and 3. The assessment takes into account the cost of construction inflation based on the proposed timeline for delivery of infrastructure actions as set out in the current Action Programme.

Current impact on capital budgets (February 2019)

Infrastructure Requirement	Base Capital Cost
Education (including land)	£230.436m
Transport	£191.781m
Greenspace	£3.750m
Primary Healthcare	£43.370m
Total costs	£469.337m

Capital Income, expenditure and expected funding requirement

	Capital expenditure (indexed)
Education	£256.996m
Transport	£243.499m
Total	£500.495m

Revenue impact on Council budgets (once all infrastructure completed)

Education	
Staffing costs per annum:	£12.812m
Running and lifecycle costs per annum:	£7.326m
Total costs:	£20.138m
Service areas	
Refuse collection per annum:	£1.354m
Refuse disposal per annum:	£2.169m
Street cleaning per annum:	£0.181m
Adopted street lighting per annum:	£0.160m
Road Maintenance: Road gulley cleaning costs.	£0.288m
Green space maintenance: Commuted sums for maintenance collected as part of planning consent.	N/A
Total costs:	£4.152m

Financial resources available

The following potential sources of income are available to the Council to deliver the growth set out with the local development plan.

Developer contributions (Section 75)

Through its planning powers, the Council can secure financial and, other contributions from developers towards the delivery of the infrastructure actions. The Council's approach is to pursue full cost recovery from development for its share of the infrastructure required to support growth. However, the Council's powers to collect developer contribution were never provided to ensure that local authorities are protected from the cost of development.

Developer contributions can be appealed, and contributions reduced due to viability. To aid prudent financial planning, the Council currently assumes a city-wide 60% recovery rate for developer contributions. For the current local development plan, this is resulting in a current cost to the Council of the local development plan of £200.86m.

Council Capital and Revenue Budgets

As part of its capital and revenue budget setting process the Council will prioritise existing budgets in order to meet the infrastructure requirements of the city plan.

Block capital grant

The local development plan is estimated to give rise to significant additional net housing provision within the city. Given the underlying needs basis of the grant distribution system, and other things being equal, the resulting rise in population increases the city's share of available funding.

Council Tax Income

An increase in the city's housing stock will give rise to additional Council Tax income. The Council's long-term financial plan assumes that a proportion of this additional Council tax revenue is to be used to offset the revenue and loan charge impact that would arise as consequence of delivering infrastructure actions.

Other potential funding sources:

- Scottish Government's Housing Infrastructure Fund
- The Strategic Housing Investment Framework
- Transport Scotland and Sustrans
- The Health and Social Care Partnership
- Utilities and other agencies - Scottish Water, Scottish Power, SEPA.

Choices for City Plan 2030

As part of preparing main issues report for City Plan 2030, the Council has carried out an initial assessment of the impact of the growth on our community infrastructure - schools, transport network including public transport and walking and cycling.

Where new community infrastructure capacity will need to be provided, the plan will set out how development is expected to contribute toward or, where appropriate, deliver this infrastructure. The infrastructure requirements will be set out in a proposed Action Programme which will accompany City Plan 2030.

Choices for City Plan sets out three options to accommodate the housing-led growth set out within the strategic development plan. Each option has a varying impact on the resources available to deliver the plan.

The three options are as follows:

- A. **We want our new homes to be delivered by the Council and its partners within the Urban Area** - this approach minimises the amount of new homes we need to build with no greenbelt release.

It must be recognised that the above option may not be financially viable for the Council and its partners to deliver or achieve an annual delivery rate to prevent the release of further green belt land.

- The Council and its partners will need to rapidly intervene to bring forward the delivery of urban land for housing. Delivery will need

to start immediately to enable the Council to achieve an annual delivery rate of 3340 units per year to prevent the release of further green belt land.

- This will require a significant step change in the delivery of urban land in Edinburgh including joint ventures with our partners and commercially, with the option of compulsory purchase where required, to deliver 275 hectares of current employment land for housing.
- Of some 275 hectares of potential urban land sites land, only 11 hectares is vacant land ready for development, 30 hectares has planning consent (but with the lower % of affordable housing requirements) and the remainder is currently in use as employment land, which includes land for small businesses and land owned by the MOD, Police, and NHS Lothian.
- The Council will need to provide alternative sites for businesses and work with existing users to find new premises.

- B. **We could use a Balanced Approach** – in which we intervene to deliver more housing in the existing urban area and release some land from the green belt where it can be supported by the [Environmental Report](#), and with viable new infrastructure required to support it.

The Council and its partners will still need to rapidly intervene to bring forward the delivery of brownfield land for housing. This will require a Compulsory Purchase programme to deliver employment land for housing. Delivery will still need to start as soon as possible to enable the Council to achieve an annual delivery rate of 3340 units per year to prevent the release of further green belt land.

To meet the 17,600 target, we would need to release Greenfield land for around **6,600 units**.

C. **We could use a Market housing/ Greenfield approach** – instead which we release enough from the Green Belt and identify the supporting infrastructure to meet the market and affordable housing targets, as a market-developer led approach.

An approach which uses general housing to deliver affordable housing will require new Greenfield land for **27,900 units**.

There is a significant risk in using a market housing/greenfield approach as it would require a delivery rate of 4600 a year, far higher than the 2500 a year we normally achieve in Edinburgh. This could result in further unplanned general Greenfield release.

We have carried out a high-level assessment of the resources required to deliver the three approaches. This is set out in Table 1.

As set out in the background to the current plan, recognition needs to be given to the significant funding challenge associated with delivering infrastructure to support growth, along with reducing public sector budgets meaning our services and facilities will need to be provided in very different ways moving forward.

Next steps

As part of preparing the proposed plan, the Council will prepare a transport, education and healthcare appraisal. These will form the basis for the proposed Action Programme will accompany the proposed plan. The Action Programme will set out and cost all the actions and infrastructure required to deliver the proposed plan.

Table 1 Choices for City Plan 2030 – high level resources assessment

Greenfield release	Balanced Approach	Urban Area Approach
<ul style="list-style-type: none"> • No compulsory purchase 	<ul style="list-style-type: none"> • Will require some compulsory purchase. • Funding of CPO – need to acquire at Market Value plus compensation • Council programme will require additional funding to support delivery 	<ul style="list-style-type: none"> • Will require very large compulsory purchase programme. • Multiple time sensitive CPOs will require additional council resources • Funding of CPO – need to acquire at Market Value plus compensation • Council programme will require additional funding to support delivery
<ul style="list-style-type: none"> • Increased 35% affordable housing requirement may result in: <ul style="list-style-type: none"> ○ Increasing claims of viability constraints ○ Appeals resulting in an increased number of commuted sums or no affordable ○ Increase in time and resources required to negotiate 	<ul style="list-style-type: none"> • Increased 35% affordable housing requirement may result in: <ul style="list-style-type: none"> ○ Increasing claims of viability constraints ○ Appeals resulting in an increased number of commuted sums or no affordable ○ Increase in time and resources required to negotiate 	<ul style="list-style-type: none"> • Council to deliver at least 35% affordable housing – additional funding and resources required
<ul style="list-style-type: none"> • No re-provision of employment land 	<ul style="list-style-type: none"> • Deliver employment locations elsewhere and as part of mixed-use sites 	<ul style="list-style-type: none"> • Priority given to building housing quickly – loss of employment • In medium to long term, deliver new employment locations.
<ul style="list-style-type: none"> • Significant new education provision required to support market led greenfield growth (inc: 	<ul style="list-style-type: none"> • New and expanded education provision required to support brownfield growth 	<ul style="list-style-type: none"> • Significant new and expanded education provision required to support brownfield

Greenfield release	Balanced Approach	Urban Area Approach
<p>ND and RC primary, secondary schools to accommodate new homes, school land, significant capital funding requirement, statutory consultations, increased teacher and life cycle revenue costs)</p>	<ul style="list-style-type: none"> • New education provision required to support managed greenfield growth (inc: ND and RC primary, secondary schools to accommodate new homes, school land, statutory consultations, significant capital funding requirement, increased teacher and life cycle revenue costs) 	<p>growth (inc: extensions to ND and RC primary, secondary schools to accommodate new homes, statutory consultations, significant capital funding requirement, increased teacher and life cycle revenue costs)</p>
<ul style="list-style-type: none"> • Significant new transport provision required to support market led greenfield growth (inc: capital funding requirement and life cycle revenue costs) • Will require significant public transport improvements. 	<ul style="list-style-type: none"> • Significant new transport provision required to support market led greenfield growth (inc: capital funding requirement and life cycle revenue costs) • Will require public transport improvements. 	<ul style="list-style-type: none"> • Improved and expanded transport provision required to support brownfield growth (inc: capital funding requirement and life cycle revenue costs). May require significant public transport improvements
<ul style="list-style-type: none"> • Significant new healthcare provision required to support market led greenfield growth (inc: capital funding requirement, land and life cycle revenue costs) 	<ul style="list-style-type: none"> • New healthcare provision required to support market led greenfield growth (inc: capital funding requirement, land and life cycle revenue costs) 	<ul style="list-style-type: none"> • Improved healthcare provision required to support market led greenfield growth (inc: capital funding requirement, land and life cycle revenue costs)
<p>Other resources: Refuse collection and disposal / street cleaning / adopted street lighting / road maintenance: Green space maintenance: Commuted sums for maintenance collected as part of planning consent.</p>		